(ii) National Bull Production Programme.

(iii) Assistance to States for Feed and Fodder Development.

(iv) National Project on Rinderpest Eradication.

(v) Assistance to States for Control of Animal Diseases.

(vi) Integrated Dairy Development Projects in Non Operation Flood, Hilly and Backward Areas.

Finance and Insurance cover to cotton growers

1683. DR. MOHAN BABU:
SHRIMATI VEENA VERMA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that but for the absence of proper financing and insurance cover to cotton growers, a large number of farmers whose cotton crops failed this year had committed suicides under pressure of debts; if so, the details thereof;

(b) what system of financing and providing insurance to farmers existed in these regions; and

(c) what steps have been or are being taken to provide adequate financing and crop insurance facilities to these farmers?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) to (c) Recent occurrences in Andhra Pradesh and other States leading to farmers committing suicides on account of financial distress have been noted with great concern by the Central Government. A Study Group has been constituted to examine in depth the nature and extent of indebtedness among the farmers in the State of Andhra Pradesh and to suggest measures for increasing the role of public financial institutions in the purveyal of credit. The Group has visited the State and interacted with the State Government and related agencies and is in the process of finalising its report.

To provide agricultural credit to the farmers, in the country there is a network of rural financial institutions—Commercial Banks, Regional Rural Banks and Cooperative Credit Structure. Agricultural production loans disbursed through agencies in the year 1996-97 and 1997-98 were Rs. 28,653 crores and Rs. 34,274 crores (anticipated) respectively.

Besides, a Comprehensive Crop Insurance Scheme (CCIS) is in operation in the country since 1985. It covers all farmers growing wheat, paddy, millets (including maize), pulses and oilseeds crops and availing crop loan from Commercial Banks, Regional Rural Banks and Cooperative credit Institutions. The sum insured is 100% of the scale of finance subject to maximum of Rs. 10,000/- per farmer. Insurance charges are 2% (for wheat, paddy and millets) and 1% (for oilseeds and pulses crops) of the sum insured. The scheme is voluntary in nature and at present 15 States and 2 Union Territories are participating in the scheme.

The following measures have been or are being taken to provide increased flow of credit to the agricultural sector:—

(i) The Commercial Banks have been asked to increase the flow of credit to agriculture.

(ii) To strengthen the financial capability of NABARD, its capital base has been raised.

(iii) Weak Regional Rural Banks (RRBs) have been recapitalised.

(iv) Banks have been advised to set up specialised agricultural branches to deal with high-tech agricultural advances.

(v) Banks have been advised to extend cash credit facilities for meeting composite credit requirements of farmers.

(vi) A proposal for revamping of cooperative credit structure has been initiated.

(vii) The State Governments have been advised to constitute Standing Committee to assess the requirements of agricultural credit for the Rabi and Kharif season.

(viii) Steps have also been initiated to ammend Multi-State Cooperative Societies Act, with a view to restore autonomy in the cooperative institutions.

(ix) The Cooperative Bank of India has been registered so as to enable the cooperative credit structure to impart greater internal mobility to its resources.

(x) NABARD has been asked to formulate a scheme for introduction by banking institutions of Agricultural Credit Cards for farmers to make a variant demand of credit requirement.

The Reserve Bank of India (RBI), as a special case, has announced the following relief measures in view of the crop loss in Andhra Pradesh:—

(i) No recovery of either principal or interest to be make from affected farmers for two years.

(ii) Amount to be collected during these two years shall be rescheduled for a period of 7 years.

(iii) Banks to lend immediately for fresh crops to affected farmers on the enhanced scales of finance fixed by the District Level Technical Committees.

(iv) Rate of interest to be reduced to 4% for small and marginal farmers who are deligible under DRI Scheme.

(v) No compounding of interest to be made in respect of rescheduled loans. Banks to also not levy any penal interest, if charged.

Further, a proposal is under the active consideration of the Government to introduce a Modified Comprehensive Crop Insurance Scheme (MCCIS) covering all the farmers (both loanee and non-loance farmers) and some additional cash crops such as sugarcane, potatoes, cotton etc.

Drought Prone Areas of Orissa

1684. SHRI NARENDRA PRADHAN: Will the PRIME MINISTER be pleased to state:

(a) whether there is any scheme/ programme envisaged by Government to alleviate the drought prone areas of Western Orissa; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): (a) and (b) The Central Government is implementing a long-term Area Development Programme called Drought Prone Areas Programme (DPAP) in 47 blocks of 8 districts (Bolangir, Sonepur, Dhenkanal, Kalahandi, Naupada, Phulbani, Boudh and Bargarh) of Orissa State. The objectives of the scheme are:

(i) To mitigate the adverse effects of drought on crop and livestock and human population.

(ii) To encourage restoration of ecological balance.

(iii) To promote economic development of village community.

(iv) To improve economic and social conditions of the resource—poor and the disadvantaged sections of village community such as the assetless and the women.

Under the programme, projects have been taken up since 1995-96 for developing on the average, an area of 500 hectares on watershed basis over a period of 4 years. At present, 191 projects, out of 222 targetted, are under implementation.

The expenditure on implementing the programme is shared between the Centre and the State Governments on 50:50